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SOVIET FOREIGN TRADE IN MACHINERY AND EQUIPMENT IN 1961



CENTRAL INTELLIGENCE AGENCY

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SOVIET FOREIGN TRADE IN MACHINERY AND EQUIPMENT
IN 1961

Soviet exports of machinery and equipment declined by 15 percent during 1961, chiefly as the result of a drastic reduction in exports of machinery to Communist China, according to official data recently made available in the Soviet foreign trade handbook. 1/ Soviet imports of machinery and equipment rose slightly during 1961, and the net effect on the total trade in machinery and equipment was a decline of 120 million current US dollars from the high of \$2.8 billion reached in 1960. By exporting only a little less than \$1 billion while importing more than \$1.7 billion, the USSR remained a net importer of machinery and equipment by a considerable margin.

As in previous years, the major share of Soviet exports of machinery and equipment in 1961 was delivered to countries of the Sino-Soviet Bloc. In 1961, however, the value of Soviet exports of machinery to another market, the underdeveloped countries of the Free World, was more than double its value in 1960 and accounted for almost one-third of Soviet exports of machinery. Soviet exports of machinery and equipment in 1960-61 by market areas were as follows (countries of the Sino-Soviet Bloc have been divided into two groups -- the less developed countries are Albania, Bulgaria, Communist China, Mongolia, North Korea, Rumania, and North Vietnam; the industrialized countries are Czechoslovakia, East Germany, Hungary, and Poland):

	<u>Million US\$</u>	
	<u>1960</u>	<u>1961</u>
Bloc countries	<u>979</u>	<u>644</u>
Less developed	755	383
Industrialized	224	261
Free World countries	<u>162</u>	<u>319</u>
Underdeveloped	147	301
Industrial West	15	18
Total exports of machinery	<u>1,141</u>	<u>965</u>

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Soviet imports of machinery and equipment in 1961 were valued at \$1.74 billion, or about 4 percent more than the value of these imports in 1960 (\$1.67 billion). (Soviet data in source 2/ give the value of imports of machinery and equipment in 1961 at \$1,739 million, whereas the country by country listing in the same source records the value of these Soviet imports as \$1,733 million.) Soviet imports of machinery and equipment in 1961 came mainly from the industrialized countries of the Bloc (66 percent) and from the countries of the industrial West (27 percent). In 1961 the USSR continued its traditional role as a net importer of machinery and equipment, with the Soviet deficit in a balance of trade for machinery and equipment in 1961 amounting to almost \$0.8 billion. Soviet imports of machinery and equipment in 1960-61, by market areas, were as follows:

	<u>Million US \$</u>	
	<u>1960</u>	<u>1961</u>
Bloc countries	<u>1,210</u>	<u>1,245</u>
Industrialized	1,136	1,146
Less developed	74	99
Free World countries	<u>465</u>	<u>488</u>
Industrial West	457	474
Underdeveloped	8	14
Total imports of machinery	<u>1,675</u>	<u>1,733</u>

During 1960-61 the most significant change in Soviet trade in individual categories of machinery and equipment was the sharp drop in Soviet exports of "equipment and materials for complete enterprises" (complete plants). The composite trade category "complete plants" includes a range of machinery and equipment for the construction of heavy and light industrial plants and departments and other installations. Soviet exports of complete plants in 1961 were valued at \$356 million compared with shipments in 1960 valued at \$568 million. Soviet exports of complete plants to Communist China in 1961 fell to \$79 million compared with deliveries of \$374 million in 1960. By contrast, the total Soviet exports of complete plants to the other countries of the

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Bloc in 1961 rose to a value of \$136 million compared with \$126 million in 1960. Soviet exports of complete plants to the underdeveloped countries of the Free World in 1961 were valued at \$141 million compared with \$69 million in 1960.

Among individual categories of trade, Soviet exports of "the means of air transport" (civil aircraft and equipment) were valued at \$35 million in 1961 compared with \$4 million in 1960 and went entirely to underdeveloped countries. The pattern of Soviet exports and imports of most other individual categories of machinery and equipment in 1961 was similar to trade in 1960. Increased Soviet exports of machinery and equipment included metalworking machinery, mining equipment, equipment for petroleum refineries, winches, woodworking machines, and spare parts for tractors and motor vehicles. Decreased Soviet exports included oilfield equipment, agricultural machinery and tractors, and power and electrical equipment. Increased Soviet imports of machinery and equipment included oilfield equipment, power and electrical equipment, metallurgical equipment, equipment for light industry and the food industry, equipment for the pulp and paper industry, instruments, railroad rolling stock, mowers for agricultural use, and chemical equipment. Decreased Soviet imports included cranes, equipment for the cement industry, and ships and marine equipment.

The direction of Soviet foreign trade in machinery and equipment in 1961 with reference to particular broad markets showed little change except for trade with Albania, Communist China, and the underdeveloped countries of the Free World. These exceptions reflect (1) problems in the Bloc and (2) the extension of Soviet efforts in the underdeveloped countries. Some noteworthy changes in the direction of Soviet exports of machinery and equipment in 1961 were as follows:

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<u>Country</u>	<u>Million US \$</u>	
	<u>1960</u>	<u>1961</u>
<u>Decreased Soviet exports</u>		
Albania	24.6	9.1
Communist China	503.9	108.1
<u>Increased Soviet exports</u>		
Cuba	6.4	60.9
Ghana	3.8	13.4
Guinea	1.4	22.3
India	25.2	53.9
Indonesia	9.9	21.2
Iraq	12.2	24.6
Mali	0	7.3
United Arab Republic (Egypt)	23.3	44.0

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Analyst:

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Coord:

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1. USSR, Ministry of Foreign Trade. Vneshnyaya trgovlya Soyuza SSR za 1961 god: statisticheskiy obzor (Foreign Trade of the USSR in 1961: a Statistical Review), Moscow, 1962. U. Eval. Doc.
2. Ibid.

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